

# **LGAC Letter on Proposed 2020 Financial Capability Assessment for the Clean Water Act DRAFT**

December 9, 2020

The Honorable Andrew R. Wheeler  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

Dear Administrator Wheeler:

The Local Government Advisory Committee (LGAC) appreciates the opportunity to provide input to the EPA as it finalizes the 2020 Financial Capability Assessment (FCA) for Clean Water Act (CWA) Obligations.

The LGAC understands that through the 2020 FCA, EPA is seeking to support water utilities that serve economically disadvantaged communities and provide vital clean water services that benefit public health, the environment, and local economies. When finalized, it will support negotiations of schedules for implementing CWA requirements for municipalities and local authorities.

EPA's proposed 2020 FCA guidance explores how customers' ability to pay for water service impacts planning for capital expenditures and operation and maintenance needed to support CWA compliance. This guidance is used to evaluate the financial capability of a community when developing a schedule (i.e., plan) for water infrastructure improvements. The proposed FCA 2020 guidance includes new metrics to inform a community's implementation schedule, including indicators that more accurately reflect how much low-income communities can afford to pay for water infrastructure upgrades.

EPA requested the LGAC's feedback on the proposed guidance from the local government perspective.

The LGAC has the following observations, input, and recommendations:

- 1) The LGAC commends the EPA for updating the FCA guidance after more than 20 years. LGAC members are committed to ensuring affordability for their residents, and they seek to balance this with their responsibilities to maintain the water systems in their localities and meet CWA requirements.
- 2) LGAC members represent cities, towns, townships, counties, states, and tribal governments from across the country and Puerto Rico that are directly responsible for providing clean and safe water and wastewater treatment to their residents. Several of these jurisdictions are small or rural communities. As such, the support that EPA provides through the FCA guidance is especially critical.
- 3) The LGAC supports the inclusion of new metrics in the 2020 FCA, as well as more accurate indicators.

- 4) The LGAC recommends that the EPA provide specific examples and scenarios in the guidance to avoid confusion, specifically related to how the proposed changes might impact burden designations and scheduling/implementation timelines.
- 5) Some LGAC members have concerns that even though a high burden designation results in a longer schedule length, this may not necessarily be beneficial, as it could prolong the time it takes to provide disadvantaged populations with much-needed infrastructure. Therefore, the LGAC supports the inclusion of scheduling considerations prioritizing projects based on environmental justice, economic disadvantage, discharges to sensitive areas, use impairment, and public health, to balance against the proposed 2020 FCA updated scheduling recommendations.

Thank you again for giving the LGAC the chance to provide input on the proposed 2020 FCA for CWA obligations. We hope our feedback and recommendations have been helpful.